

Kentucky Agricultural Development Board

Minutes of the April 20, 2007 Board Meeting

The Kentucky Agricultural Development Board was held on **April 20, 2007** at **10:00 PM EDT**, at the Franklin County Cooperative Extension Office in Frankfort, KY. Commissioner Richie Farmer, presiding, called the meeting to order, and the Secretary called the roll.

Roll Call

Members Present

Donna Amburgey; John Cleaver; Rodney Dick; Commissioner Richie Farmer; Dennis Griffin; Wayne Hunt; Jim Mahan; Wayne Mattingly; Sam Moore; Dean M. Scott Smith; Secretary Benjamin Fuqua (Don Goodin, designee)

Members with Excused Absences

Governor Ernie Fletcher; H. H. Barlow; Vickie Yates Brown; Sam Lawson

Others Present

Staff - Stacia Alford, Catherine Ball, Angela Blank, Brian Furnish, Sandy Gardner, Todd Harp, Bill Hearn, Tim Hughes, Christi Marksbury, Bill McCloskey, Joel Neaveill, Keith Rogers, Kylee Smith, Nick Whobrey, Stephen Yates

Guests – Larry Jones, University of Kentucky; Larry Snell, Kentucky Center for Agriculture and Rural Development; Nathan Brown, Community Farm Alliance; Anna Kindrick, Kentucky Department of Agriculture; Christina Gordley, Governor's Office of Policy Management; Lowell Atchley, Legislative Research Commission; Don Van Erden, The Van Erden Group

Notification of Media

Commissioner Farmer received verification from Keith L. Rogers, Chief Executive Officer, that the media had received notice regarding the Kentucky Agricultural Development Board monthly meeting.

Welcome

Commissioner Farmer welcomed everyone to the Kentucky Agricultural Development Board meeting.

Approval of Minutes

Dennis Griffin moved to approve the minutes of the March 16, 2007 meeting as presented: Jim Mahan seconded the motion. The motion passed without dissent.

Executive Director's Report

Mr. Rogers stated that H.H. Barlow was attending a dairy meeting in Texas and Sam Lawson was in Alabama.

Mr. Rogers gave an update on Catherine Ball. He reported that Catherine gave birth to a baby boy on March 28th, John Thomas. She is currently on maternity leave and will be working limitedly for 3 weeks and then will be working 1 day a week in the office until end of June.

Mr. Rogers announced that the Agricultural Development Fund was recognized as one of the top 50 finalists for the Harvard Innovations in Government Award in a press release on April 3, 2007. There were 1000 applicants from across the country. Mr. Rogers thanked the staff who worked on the project (Sandy Gardner, Joel, Neaveill, Angela Blank and Brian Furnish) and he also thanked those Board members who began the process in 2000.

Mr. Rogers gave a report on the Tobacco Oversight Committee. He stated there were few questions last month. The meetings have been changed at the request of the co-chairs. The meetings will be held the first Wednesday of each month at 10:00 AM ET.

Mr Rogers called on Tim Hughes for a Kentucky Agricultural Finance Corporation (KAFC) report. Mr. Hughes stated that the KAFC had a busy couple of months with several dairy meetings across the state. He entertained questions from the Board. Questions were asked about John's Custom Meats and migrant housing. Mr. Hughes stated that KAFC has been averaging \$323,000 a month in the infrastructure program. At the last KAFC board meeting, the board approved a submission of a request to the Kentucky Agricultural Development Board (KADB) for \$2 million additional funds for the Agricultural Infrastructure Loan Program and \$1 million for the Agricultural Processing Loan Program. (Handout on file with the Board Secretary)

Mr. Rogers reported on the status of the Master Settlement Agreement (MSA) payment. He stated the total expected payment was \$88.8 million and Kentucky actually received \$107 million. That was \$18.2 million more than expected from the payment for the year. In essence, \$9.1 million more will be available to the Kentucky Agricultural Development Fund. The counties will receive a total of \$18,697,385 and the state will receive \$7,880,968

Mr. Rogers announced that Stephen Yates would be leaving the Governor's Office of Agricultural Policy for a position as the Director of Agritourism with the Kentucky Department of Agriculture.

Mr. Rogers called the Board members' attention to the some additional items. Beginning in July, the KADB will have a sixteenth member on the Board from Kentucky State University. Also, there was an updated application from the Kentucky Forage and Grassland Council dealing with biomass production in the Board packet. Significant changes were made to the application. Lastly, Mr. Rogers stated that the account status document in the Board packet would be basis for budget session at the May Board meeting.

Recommendations for Deferred Funding

Todd Harp presented A2007-0026, **University of Kentucky Research Foundation**. University of Kentucky Research Foundation requests \$1,435,017 in State funds to implement a leadership program for entrepreneurial coaches.

Mr. Harp introduced Dr. Larry Jones with University of Kentucky's Agricultural Economics Department for a short presentation and to answer any of the Board's questions. Dr. Jones called on former participants of the program, Don Davis, Jim Brown and Karen Towles, to give their perspective of the program. The Board also asked questions of those individuals. (Refer to handout on file with Board Secretary)

New Business

Referral of April Projects¹

Mr. Rogers presented projects A2007-0066 to A2007-0104 for referral to the Board's May meeting for review. Sam Moore moved that projects A2007-0066 to A2007-0104 be referred for the May Board meeting review; Wayne Hunt seconded the motion. The motion passed without dissent.

Approval of Model Programs²

Commissioner Farmer submitted projects requesting funds for county model programs. Rodney Dick moved the said applications be approved for the named model programs; Donna Amburgey seconded the motion. The motion passed without dissent.

Requested Amendments³

Mr. Rogers presented three requested amendments for approval. Wayne Mattingly moved that said amendments be approved; Mr. Dick seconded the motion. The motion passed without dissent.

Nick Whobrey presented a memo from the Pendleton County Ag Development Board regarding project A2007-0033. The Pendleton County Ag Development Board requested to add the Commercial Poultry model program to their menu program. Due to an oversight, the program was left off the original application. Dr. Scott Smith moved that said amendment be approved; Mr. Mahan seconded the motion. The motion passed without dissent.

Bill McCloskey presented a memo from Kentucky Specialty Grain regarding project A2006-0209. Kentucky Specialty Grain requested the legal agreement be amended from "2006 and 2007" to "2006 or 2007" Mr. Moore moved that said amendment be approved; Dr. Smith seconded the motion. The motion passed without dissent.

Keith Rogers presented a memo from the Kentucky Agricultural Finance Corporation regarding project A2006-0032. The Kentucky Agricultural Finance Corporation requested to delete the following term from the Beginning Farmer Loan Program contract:

1. (a) iii. A person who does not own a farm or ranch greater than 30% of the average farm or ranch size in the county where his or her operation is located.

Mr. Mahan moved that said amendment be approved; Mr. Hunt seconded the motion. The motion passed without dissent.

Recommendations for Funding

Todd Harp presented A2007-00006, **Appalachian Alternative Agriculture in Jackson County, Inc, (3AJC)**. 3AJC requests \$179,700 in COUNTY funds (Jackson County - \$154,700 and Clay County - \$25,000) and \$97,473 in STATE funds to construct a food processing center, a docking station for the mobile processing unit and a farmers' market pavilion. Mr. Harp reviewed the proposed terms and conditions for the project.

¹ A detailed list of the referred projects is attached as Appendix A.

² A detailed list of projects funded under each model program category is attached as Appendix B.

³ A detailed list of requested amendments approved is attached as Appendix C.

John Cleaver moved that **A2007-0066 be approved for \$179,700 in Jackson and Clay County funds and \$97,473 in STATE funds**; Mr. Dick seconded the motion. The motion passed without dissent.

Stephen Yates presented A2007-0035, **Lincoln County Farm Bureau**. Lincoln County Farm Bureau requests \$20,000 in Lincoln County funds to administer a program to assist Lincoln County youth in the purchasing or reproductive female stock for cattle, sheep and goats. Mr. Yates reviewed the proposed terms and conditions for the project.

Mr. Dick moved that **A2007-0035 be approved for \$20,000 in Lincoln County funds**; Mr. Mahan seconded the motion.

Mr. Cleaver moved to amend the motion by adding the words to use the guidelines of the Sheep and Goat model program. Mr. Mattingly seconded the motion. The motion and its amendment passed without dissent.

Todd Harp presented A2007-0039, **Russell County Cattleman's Association, Inc.** Russell County Cattleman's Association, Inc. requests \$20,800 in Russell County funds to administer a youth heifer chain. Mr. Harp reviewed the proposed terms and conditions for the project.

Mr. Cleaver moved that **A2007-0039 be approved for \$20,800 in Russell County funds**; Mr. Mahan seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007-0041, **Elliot County Ag Development Council**. Elliot County Ag Development Council requests \$13,000 in Elliot County funds to administer a Pilot Cervid Livestock Farming Program for producers in Elliot County. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Mattingly moved that **A2007-0041 be approved for \$13,000 in Elliot County funds**; Mr. Hunt seconded the motion. The motion passed with dissent. Mr. Cleaver & Mr. Dick voted against the motion.

Nick Whobrey presented A2007-0050, **Owen County Farm Bureau, Inc.** Owen County Farm Bureau Inc. requests \$20,000 in Owen County funds to administer a Hay Handling and Feeding project for the producers in Owen County. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Mahan moved that **A2007-0050 be approved for \$20,000 in Owen County funds**; Don Goodin seconded the motion. The motion passed without dissent.

Bill McCloskey presented A2007-0053, **McLean County Fiscal Court**. McLean County Fiscal Court requests \$9,700 in McLean County funds as a part of a \$22,500 project to install lights and perimeter fencing to the animal pavilion that is part of the McLean County 4-H Activities Center at the McLean County Myer Creek Park. Mr. McCloskey reviewed the proposed terms and conditions for the project.

Mr. Mattingly moved that **A2007-0053 be approved for \$9,700 in McLean County funds**; Mr. Hunt seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007-0056, **Kentucky Forage and Grassland Council**. Kentucky Forage and Grassland Council requests \$699,958 in STATE funds to contract with the

University of Kentucky, College of Agriculture, Department of Plant and Soil Science to conduct a biomass and hay production applied research and demonstration project. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mr. Moore moved that **A2007-0056 be approved for \$650,000 in STATE funds**; Mr. Cleaver seconded the motion. The motion passed with dissent. Mr. Griffin voted against the motion.

Bill McCloskey presented A2007-0057, **Washington County Cattlemen Association, Inc.** Washington County Cattlemen Association, Inc. requests \$375,000 in Washington County funds to continue to offer a project that includes funding for six model programs, mandatory record keeping and participation in CPH45 sale: Hay, Straw and Commdity Storage; Cattle Genetics Improvement; Cattle Handling Facilities; Forage Improvement & Utilization; and On-Farm Water Enhancement. Mr. McCloskey reviewed the proposed terms and conditions for the project.

Mr. Goodin moved that **A2007-0057 be approved for \$375,000 in Washington County funds**; Mr. Dick seconded the motion. The motion passed without dissent.

Stephen Yates presented A2007-0059, **Leuchemix, Inc.** Leuchemix, Inc. requests \$19,713 in STATE funds to contract with Kentucky farmers to grow feverfew plants for the production of a new drug medium. Mr. Yates reviewed the proposed terms and conditions for the project.

Mr. Mattingly moved that **A2007-0059 be approved for \$17,973 in STATE funds**; Mr. Cleaver seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007-0061, **Christian County Board of Education.** Christian County Board of Eduation requests \$55,000 in Christian County funds for the construction and equipment cost of a 32" X 130" greenhouse to be located at Christian County High School. Mr. Whobrey reviewed the proposed terms and conditions for the project.

Mrs. Amburgey moved that **A2007-0061 be approved for \$55,000 in Christian County funds**; Mr. Hunt seconded the motion. The motion passed without dissent.

Todd Harp presented A2007-0088, **Appalachian Alternative Agriculture in Jackson County, Inc. (3AJC).** 3AJC requests \$75,000 in Jackson County funds to administer a menu approach for five model programs: Agricultural Diversification; Dairy Diversification; Goat & Sheep Diversification; Swine Diversification; and Timber Production, Utilization & Marketing. Mr. Harp reviewed the proposed terms and conditions for the project.

Mr. Cleaver moved that **A2007-0088 be approved for \$75,000 in Jackson County funds**; Mr. Mahan seconded the motion. The motion passed without dissent.

Nick Whobrey presented A2007-0104, **Christian County Agri-Business Association, Inc.** Christian County Agri-Business Association, Inc. requests \$300,000 in Christian County funds to administer a menu approach for eleven model programs: Agricultural Diversification; Cattle Genetics Improvement; Cattle Handling Facilities; Commercial Poultry Diversification; Dairy Diversification; Forage Improvement & Utilization; Goat & Sheep Diversification; Hay, Straw and Commodity Storage; On-Farm Water Enhancement; Technology; and Farm Livestock Fencing Improvement . Mr. Whobrey reviewed the proposed terms and conditions for the project.

Dr. Smith moved that **A2007-0104 be approved for \$300,000 in Christian County funds**; Mr. Hunt seconded the motion. The motion passed without dissent.

Recommendations for Pending Funding

The following applications were discussed, but no action was taken: Valentine's Gourmet Ice Cream, LLC (A2007-0037); Southeast Vintners, LLC (A2007-0055); Henry County Cattleman's Association, Inc. (A2007-0058); Trimble County Cattleman's Association, Inc. (A2007-0062); Lake Cumberland Milling, LLC. (A2007-0064); and Honest Farm Inc. (A2007-0065).

New Business

Mr. Rogers asked the Board members to nominate a representative and an alternate to serve on the Kentucky Agriculture Council Task Force to develop a strategic plan for agriculture.

Sam Moore was nominated by Mr. Hunt as the Kentucky Agriculture Development Board's representative and accepted by acclamation of the Board.

Sam Lawson was nominated by Mr. Cleaver as the Kentucky Agriculture Development Board's alternate and accepted by acclamation of the Board.

Old Business

Pilot Migrant Infrastructure Program

Mr. Dick moved to table the Pilot Migrant Infrastructure Program discussion until the June board meeting; Mrs. Amburgey seconded the motion. The motion passed without dissent.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene at 10:00 AM EDT on Friday, May 18, 2007 at the Franklin County Cooperative Extension Office in Frankfort, KY. Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

Dr. Smith moved to adjourn the meeting; Mr. Cleaver seconded the motion. The meeting adjourned at 2:56 PM EDT.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

APPENDIX A: Applications for Referral

App #	Applicant	Request Type
A2007-0066	Clark County Conservation District	Hay, Straw, & Commodity Storage
A2007-0067	Clark County Conservation District	Forage Improvement & Utilization
A2007-0068	Clark County Conservation District	Farm Livestock Fencing Improvement
A2007-0069	Carlisle County Conservation District	Technology
A2007-0070	Mountain Cattlemen's Association	Project
A2007-0071	Carlisle County Conservation District	Hay, Straw, & Commodity Storage
A2007-0072	Fayette County Cattlemen's Association, Inc.	Farm Livestock Fencing Improvement
A2007-0073	Fayette County Cattlemen's Association, Inc.	Cattle Handling Facilities
A2007-0074	Fayette County Cattleman's Association, Inc.	Hay, Straw, & Commodity Storage
A2007-0075	Fayette County Cattlemen's Association, Inc.	Technology
A2007-0076	Fayette County Cattlemen's Association, Inc.	Cattle Genetics Improvement
A2007-0077	Spencer County Conservation District	Forage Improvement & Utilization
A2007-0078	Harrison County Beef Cattle Association, Inc.	Forage Improvement & Utilization
A2007-0079	Logan County Agricultural Extension Foundation, Inc.	Project
A2007-0080	Garrard County Conservation District	Forage Improvement & Utilization
A2007-0081	Garrard County Farm Bureau, Inc.	Forage Improvement & Utilization
A2007-0082	Owen County Farm Bureau, Inc.	Shared-use Equipment
A2007-0083	Rowan County Fiscal Court	Cattle Handling Facilities
A2007-0084	Robertson County Soil Conservation District	On-farm Water Enhancement
A2007-0085	Robertson County Soil Conservation District	Forage Improvement & Utilization
A2007-0086	Rowan County Fiscal Court	Agricultural Diversification
A2007-0087	Owen County Farm Bureau, Inc.	Farm Livestock Fencing Improvement

APPENDIX A: Applications for Referral

App #	Applicant	Request Type
A2007-0088	3AJC Appalachian Alternative Agriculture in Jackson County, Inc.	Project
A2007-0089	Buffalo Trace Area Development District, Inc.	Agricultural Diversification
A2007-0090	Kentucky Grape and Wine Council	Project
A2007-0091	Kentucky Corn Growers Association, Inc.	Project
A2007-0092	Woodford County Agriculture Advancement Council, Inc.	Project
A2007-0093	Shelby County Agricultural Development Foundation, Inc.	Agricultural Diversification
A2007-0094	Green River Area Beef Improvement Group, Inc.	Hay, Straw, & Commodity Storage
A2007-0095	Todd County Cattlemen's Association, Inc.	Farm Livestock Fencing Improvement
A2007-0096	Carroll Co. Agriculture Development Fund, Inc.	Project
A2007-0097	Carroll Co. Agriculture Development Fund, Inc.	Project
A2007-0098	Trunnell's Farm Market, Inc.	Project
A2007-0099	Jackson Purchase Resource Conservation and Development Foundation, Inc.	Hay, Straw, & Commodity Storage
A2007-0100	Fleming County Board of Education	Project

APPENDIX B: Model Programs Recommended for Approval

Agricultural Diversification

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0089	Buffalo Trace Area Development Council, Inc.	Fleming	\$15,000.00
A2007-0086	Rowan County Fiscal Court	Rowan	\$9,000.00
			\$24,000.00

Cattle Genetics Improvement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0076	Fayette County Cattlemen's Association, Inc.	Fayette	\$10,000.00
			\$10,000.00

Cattle Handling Facilities

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0073	Fayette County Cattlemen's Association, Inc.	Fayette	\$10,000.00
A2007-0101	Robertson County Farm Bureau Federation Inc.	Robertson	\$50,000.00
A2007-0083	Rowan County Fiscal Court	Rowan	\$3,184.00
			\$63,184.00

Farm Livestock Fencing Improvement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0068	Clark County Conservation District	Clark	\$104,000.00
A2007-0072	Fayette County Cattlemen's Association, Inc.	Fayette	\$10,000.00
A2007-0087	Owen County Farm Bureau, Inc.	Owen	\$79,500.00
A2007-0095	Todd County Cattlemen's Association, Inc.	Todd	\$76,100.00
			\$269,600.00

Forage Improvement & Utilization

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0067	Clark County Conservation District	Clark	\$14,000.00
A2007-0081	Garrard County Farm Bureau, Inc.	Garrard	\$31,500.00
A2007-0080	Garrard County Conservation District	Garrard	\$21,000.00
A2007-0078	Harrison County Beef Cattle Association, Inc.	Harrison	\$40,000.00
A2007-0103	Washington County Cattlemen Association, Inc.	Washington	\$46,100.00
			\$152,600.00

APPENDIX B: Model Programs Recommended for Approval

Hay, Straw, & Commodity Storage

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0071	Carlisle County Conservation District	Carlisle	\$26,250.00
A2007-0066	Clark County Conservation District	Clark	\$104,000.00
A2007-0074	Fayette County Cattleman's Association	Fayette	\$10,000.00
A2007-0094	Green River Area Beef Improvement Group, Inc.	Hancock	\$8,553.00
			\$148,803.00

On-farm Water Enhancement

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0084	Robertson County Soil Conservation District	Robertson	\$30,000.00
			\$30,000.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0082	Owen County Farm Bureau, Inc.	Owen	\$15,375.00
			\$15,375.00

Technology

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0069	Carlisle County Conservation District	Carlisle	\$26,250.00
A2007-0075	Fayette County Cattlemen's Association, Inc.	Fayette	\$10,000.00
			\$36,250.00

Total County Funds Recommended for Approval in Model Programs: **\$749,812.00**

APPENDIX C: Requested Amendments-Projects & Programs

App # A2006-0132
Applicant Name Carroll County Agriculture Development Fund
Amount Approved \$134,000
Date May 19, 2006
Requested Change The applicant requests an additional \$10,300 for a menu approach of the following programs: *Farm Livestock Fencing Improvement; Hay, Straw & Commodity Storage; Cattle Handling Facilities; Cattle Genetics Improvement; Forage Improvement & Utilization; and On-Farm Water Enhancement* Programs. The request received a high priority from the Carroll County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$144,300.

Recommendation Approval

App # A2005-0591
Applicant Name Jackson County Cattlemen's Association, Inc.
Amount Approved \$150,000
Date December 16, 2005
Requested Change The applicant requests an additional \$20,000 for a menu approach of the following programs: *Cattle Genetics Improvement; Cattle Handling Facilities; Farm Livestock Fencing Improvement; and On-Farm Water Enhancement* Programs. The request received a high priority from the Jackson County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$170,000.

Recommendation Approval

App # A2006-0472
Applicant Name Menifee County Beef Producers, Inc.
Amount Approved \$63,000
Date December 15, 2006
Requested Change The applicant requests an additional \$48,745 for a menu approach of the following programs: *Farm Livestock Fencing Improvement; Hay, Straw & Commodity Storage; Cattle Genetics Improvement; and Cattle Handling Facilities* Programs. The request received a high priority from the Menifee County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$111,745.

Recommendation Approval